

## Message Text

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PAGE 01 THE HA 01217 081151Z  
ACTION EUR-12

INFO OCT-01 ISO-00 AID-05 CIAE-00 COME-00 EB-08 FRB-03  
INR-10 NSAE-00 USIA-06 TRSE-00 XMB-02 OPIC-03  
SP-02 LAB-04 SIL-01 OMB-01 /058 W  
-----015712 090358Z /64  
R 081054Z MAR 78  
FM AMEMBASSY THE HAGUE  
TO SECSTATE WASHDC 2197  
INFO AMEMBASSY BRUSSELS

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E.O. 11652: NA  
TAGS: ELAB NL  
SUBJECT: LABOR TAKES OVER SPAGHETTI PLANTS PRODUCING STRING  
OF LOSSES

1. DUTCH EMPLOYEES OF KONINKLIJKE SCHOTEN-HONIG (KSH), HA  
BAKING AND STARCH PRODUCTS CORPORATION, HAVE TAKEN OVER  
PRODUCTION IN A SERIES OF COMPANY PLANTS IN AN ATTEMPT TO  
PRESSURE THE GOVERNMENT TO ISSUE MORE CREDIT GUARANTEES AS A  
WAY OF FORESTALLING PLANT CLOSURES. ALTHOUGH KSH MANAGEMENT  
REMAINS PRESENT AS INFORMAL ADVISORS, WORKERS ARE TEMPORARILY  
IN CHARGE OF PRODUCING THE USUAL MASSIVE QUANTITIES OF NOODLES,  
SPAGHETTI AND OTHER STARCH PRODUCTS.

2. KSH HAS EXPERIENCED HEAVY LOSSES IN RECENT YEARS AND HAS  
SOUGHT BUYERS WHO WOULD CLOSE ITS LOSS MAKING BRANCHES. WORKERS  
AT ONE PLANT REACTED TO A COMPANY MOVE LAST WEEK TO SEEK A  
MORATORIUM ON PAYMENTS BY TAKING OVER AN AMSTERDAM FACTORY.  
UNIONS JOINED IN, HELPING TO SPREAD THE RATHER UNUSUAL LABOR  
ACTION TO ALL COMPANY BRANCHES (3500 WORKERS). IN TALKS WITH  
DUTCH MINISTER OF AGRICULTURE VAN DER STEE, UNION FIRST  
ENCOUNTERED INITIAL GOVERNMENT RELUCTANCE TO CONSIDER GUARANTEE  
FOR ADDITIONAL 200 MILLION GUILDERS (ONE GUILDER EQUALS 2.15  
DOLLARS) OR MEASURES TO PREVENT CLOSING OF CERTAIN PLANTS.  
HOWEVER, ON MARCH 7 MINISTER VAN DER STEE ANNOUNCED COMPANY  
HAS BEEN GRANTED MORATORIUM ON PAYMENTS AND A 34 MILLION  
GUILDER STATE GUARANTEED LOAN TO KEEP THE CONCERN GOING FOR  
A FORTNIGHT. FURTHER TALKS WILL BE HELD AFTER THE TWO WEEK  
BRIDGING PERIOD

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3. COMMENT: A LABOR ACTION IN WHICH WORKERS OPERATE THE PLANT ON SUCH A SCALE IS UNUSUAL HERE. IT ILLUSTRATES THE TENDENCY IN THE NETHERLANDS FOR UNIONS TO GO DIRECTLY TO THE GOVERNMENT TO DEMAND EITHER BENEFITS OR JOB GUARANTEES. IN THIS INSTANCE, THE COMPANY SEEMS TO BEHA BORDERLIME CASE OF ELIGIBILITY FOR SIZABLE ADDITIONAL GOVERNMENT CREDIT GUARANTEES, AND UNION DEMANDS FOR MASSIVE ASSISTANCE TO KEEP KSH OPERATING MAY PROVE INEFFECTIVE.  
MCCLOSKEY

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## Message Attributes

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**Capture Date:** 01 jan 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** LABOR, JOINT VENTURES  
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**Decaption Date:** 01 jan 1960  
**Decaption Note:**  
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**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 20 Mar 2014  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
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**Subject:** LABOR TAKES OVER SPAGHETTI PLANTS PRODUCING STRING OF LOSSES  
**TAGS:** ELAB, EIND, NL  
**To:** STATE  
**Type:** TE  
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